



**U.S. Department of Justice**

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**EVENT: Guilty Pleas**

**Defendant: Sadek Berro et al**

**SEVENTEEN PLEAD GUILTY IN FRAUD SCHEME**

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The last of seventeen defendants indicted in a large-scale scheme to defraud numerous credit card companies, banks, mortgage lenders and the bankruptcy court pled guilty today in federal court, United States Attorney Stephen J. Murphy announced today.

U.S. Attorney Murphy was joined in the announcement by Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation, Detroit Division and Special Agent in Charge Maurice Aouate of the Internal Revenue Service.

Mr. Murphy said: "From credit card 'bust-outs,' to mortgage fraud and bankruptcy fraud, the kinds of corrupt dealings engaged in by these defendants will not be tolerated. This conviction puts an end to a wide-ranging, robust and multifaceted fraud ring. It is a tribute to the tireless efforts of the FBI and the IRS that we have been able to successfully investigate and obtain convictions of all of the defendants involved in such a complex and varied scheme."

Between July 25, 2006 and today, the following individuals, all but the last two of

Dearborn, MI, have entered pleas of guilty before U.S. District Judge John Corbett O'Meara:

- Ali Abdul Karim Farhat, 42, Abdulamir Berro, 38, and Sadek Berro (also known as Sam Berro), 51, pled guilty to conspiracy to violate the Racketeer Influenced and Corrupt Organization Act (RICO) and under their plea agreements face up to 97 months imprisonment and a fine of up to \$250,000.
- Abdul Halim Berro, 41, Nassib Saadallah Berro, 61, and Bilal El-Sablani, 33, each pled guilty to conspiracy to commit bank and mail fraud and under their plea agreements face up to 41 months imprisonment and a fine of up to \$250,000.
- Sami Ahmad Berro, 53, pled guilty to conspiracy to commit bank and mail fraud and under his plea agreement faces up to 33 months imprisonment and a \$250,000 fine.
- Zeinab Berro, 43, pled guilty to conspiracy to commit bank and mail fraud and under her plea agreement faces up to 30 months imprisonment and a \$250,000 fine.
- Noura Berro, 49, also pled guilty to conspiracy to commit bank and mail fraud and under her plea agreement faces up to 14 months imprisonment and a \$250,000 fine.
- Salwa Nassib Berro, 41, pled guilty to conspiracy to commit bank and mail fraud and under her plea agreement faces up to 12 months imprisonment and a \$250,000 fine.
- Amira Farhat, 42, pled guilty to bank fraud and under her plea agreement faces up to 24 months imprisonment and a one million dollar fine.
- Houda Mohamad Berro, 28, pled guilty to bank fraud and under her plea agreement faces up to 18 months imprisonment and a one million dollar fine.
- Abdul Karim Akram Berro, 24, and Lina Reda (née Berro), 26, each pled guilty to false statements and under their plea agreements face up to 14 months imprisonment and a \$250,000 fine.

- Almire Ali-Sadek Berro, 26, pled guilty to bank fraud and under his plea agreement faces up to 16 months imprisonment and a one million dollar fine.
- Akram Berro, 49, and Jamal Berro, 51, both of Taylor, MI, entered guilty pleas on July 25, 2006 to the charges in the Indictment, with no plea agreement. Six of the nine counts to which Akram Berro and Jamal Berro pleaded guilty carry a maximum sentence of 30 years imprisonment and a one million dollar fine. They also pleaded guilty to conspiracy to launder money, which carries a maximum sentence of 20 years and a \$500,000 fine. The remaining counts of the indictment to which they pled guilty charge them with bankruptcy fraud and conspiracy to commit bank and mail fraud and carry a maximum sentence of 5 years imprisonment and a \$250,000 fine. The court is also required to impose an order of restitution.

All of the defendants may also be required to make full restitution to victims.

According to documents filed in the case, from March 1999 through April 2004, the defendants defrauded numerous creditors and the bankruptcy court through a large-scale credit card “bust out” scheme. As part of the scheme, Ali Farhat and Abdulamir Berro, aided by Sadek Berro, used their companies to process over one million dollars in credit card transactions for other defendants in exchange for cash and discounted merchandise, knowing that payment would not be made for the charges. The credit card companies and banks transferred funds to Ali Farhat and Abdulamir Berro in the amount of the charges to the credit cards but ultimately never received payment from the defendant-credit card holders. The defendants maximized the value they could obtain from the credit cards by making charges on the cards, submitting non-sufficient funds checks to free up the available credit on the card, and then making additional charges on the cards before the card issuers became aware that the checks were worthless. The defendants then took steps to evade collection efforts by creditors by declaring bankruptcy so creditors could not attach assets or otherwise collect on amounts owed. Through their bankruptcy proceedings, the defendants sought to avoid payment of nearly three million dollars in debt. Defendants also concealed assets from the bankruptcy court; many of the defendants “sold” their homes to their wives or adult children, who made fraudulent statements to qualify for mortgage loans. Some of the defendants also engaged in financial transactions designed to conceal assets and funds from bankruptcy court.

and creditors.

The defendants' sentencings are scheduled in late November and December 2006.

The investigation of this case has been conducted by the Federal Bureau of Investigation and the Internal Revenue Service. The case has been prosecuted by Assistant U.S. Attorneys Cathleen M. Corken and Barbara L. McQuade.